The Paley Rothman Blog

Paley Rothman shares this library of resources with clients and friends of the firm to help them stay ahead of legal and business developments and trends. Here, you will find helpful tips and tools written by our attorneys. The information in the blogs and articles is not a substitute for legal advice and should not be relied on as such. Should you have any questions or want legal advice, please contact the attorney who wrote the blog or article.

TRACKING CYBER THREATS AND REGULATORY INTERPRETATIONS FOR BANKS DURING CORONAVIRUS CRISIS

For banks and other financial institutions navigating the difficulties of COVID-19's impacts, two recent developments are notable.

CLIENT ALERT: CT CORP. OUTAGE COULD RESULT IN SERIOUS IMPLICATIONS FOR CLIENTS

UPDATE (5/14/19): As of Tuesday, May 14, CT Corp. reports that all of its applications have been fully restored and are back online. CT Corp., which is a major provider of Registered Agent services for thousands of businesses nationwide, has been experiencing a massive system outage since Monday, May 6, 2019.

DATA PRIVACY MOVES FRONT AND CENTER FOR INVESTORS AND MERGER PARTNERS

Data privacy used to be back burner due diligence. That has changed. The Snowden leak made personal privacy Topic One for months. Since then, the OPM hack, the iCloud hack, and other well publicized data breaches have raised data privacy awareness both in M&A and investor due diligence.

TERRORISM RISK INSURANCE ACT EXPIRATION THREATENS COMMERCIAL PROPERTY LOANS

Following 9/11, many lenders required property developers and owners to carry terrorism coverage. To facilitate that coverage the Terrorism Risk Insurance Act (TRIA) was established in 2002 as federal protection for insurers if an act of terrorism were to result in losses above $100 million. It had been reauthorized twice, and the House voted to extend TRIA, but Congress, due to lack of agreement in the Senate, was unable to agree on terms to extend the act beyond 2014.

NON-RECOURSE MORTGAGE LOANS MAY NOT BE NON-RECOURSE

Commercial mortgage-backed securities (CMBS) or Conduit loan borrowers would likely be startled to learn that their so-called "non-recourse loans" may not be non-recourse after all when there is a payment default. Contrary to what Conduit borrowers would reasonably believe they had bargained for, a simple payment default (not caused by any fraud, misapplication of funds or other "bad boy" acts) could result in full borrower responsibility for repayment of any deficiency.

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